

1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 16-11700-smbM

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5 In the Matter of:

6 GAWKER MEDIA, LLC,

7 Debtor.

8 - - - - - x

9 Case No. 16-12239-smb

10 - - - - - x

11 In the Matter of:

12 NICHOLAS G. A. DENTON,

13 Debtor.

14 - - - - - x

15 U.S. Bankruptcy Court

16 One Bowling Green

17 New York, NY 10004

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19 October 6, 2016

20 11:01 AM

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23 B E F O R E :

24 HON STUART M. BERNSTEIN

25 U.S. BANKRUPTCY JUDGE

1 Hearing re: Official Committee of Unsecured Creditors'
2 Application to Employ Deloitte Financial Advisory Services
3 LLP as Financial Advisor effective nunc pro tunc to June 28,
4 2016.

5
6 Hearing re: Debtors' Omnibus Motion Pursuant to 11 U.S.C.
7 365, Fed. R. Bankr. P. 6006, and LBR 6006-1 (I) Authorizing
8 Assumption and Assignment of Certain Executory Contracts in
9 Connection with the Sale, (11) Fixing Cure Amounts Relating
10 to Assumed Executory Contracts, and (111) Granting Certain
11 Related Relief.

12
13 Hearing re: Debtors' Motion for Entry of an Order Extending
14 Exclusive Periods to File Chapter 11 Plan and Solicit
15 Acceptances Thereof Pursuant to Section 1121(d) of the
16 Bankruptcy Code.

17
18 Hearing re: Debtors' Motion for Entry of an Order (I)
19 Establishing a Deadline to File Certain Administrative
20 Claims and Procedures Relating Thereto and (II) Approving
21 the Form and Manner of Notice Thereof.

22
23 Hearing re: Debtors' Motion for Entry of an Order Extending
24 Time to Assume or Reject Unexpired Leases of Nonresidential
25 Real Property Pursuant to 11 U.S.C. 365(d)(4).

1 Hearing re: Motion of St. Paul Fire & Marine Insurance
2 Company to Lift the Automatic Stay.

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4 Hearing re: 16-11700-smb Case Conference.

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6 Hearing re: 16-12239-smb Case Conference.

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6 BY: WILLIAM T. RUSSELL, JR.

7
8 ALSO PRESENT TELEPHONICALLY:

9
10 MARIA CHUTCHIAN

11 KATY PAPE

12 ALEX MCGEE

1 P R O C E E D I N G S

2 MR. GALARDI: Good morning, Your Honor. For the
3 record, Gregg Galardi of Ropes & Gray on behalf of Gawker
4 Media. If I may suggest an order for taking up matters,
5 this is a status conference with respect to Gawker. And
6 also, I understand you have a status conference with respect
7 to Mr. Denton's case, so I thought maybe we would take that
8 up together and --

9 THE COURT: That's fine.

10 MR. GALARDI: -- and then move onto the agenda.
11 Your Honor, I think I have seen you since we closed the sale
12 on September 9th, but I think what I want to do is go
13 through some significant events, where we are in the case,
14 and then to announce some, I think very encouraging news.

15 So let me start with, as I had mentioned
16 previously on September 9th, we closed the sale to an
17 affiliate of Univision called UniModa. And with respect to
18 closing of that sale, there was \$135 million proceeds. And
19 much of those proceeds -- about \$35 million of those
20 proceeds went to pay down certain secured debt.

21 Since that time, there have been a lot of post
22 closing trends at (indiscernible) that's been done. For
23 example, Mr. Holden, who is in the courtroom today has been
24 in Hungary to work out who will be the manager. This is for
25 asset sales, so there are still companies to be dealing with

1 there.

2 So he has now become the manager of what we are
3 now going to re-name Gawker Hungary, as required by the
4 asset purchase agreement. We have been dealing with the
5 fact that there was an election by UniModa to leave the
6 Gawker.com assets behind, which included content, URL's.
7 And so, he's been working with respect to that.

8 Your Honor knows we've been subject to a lot of
9 litigation, so one of the transition items that's being
10 worked out, and these are all post-September 9th. We tried
11 to get as much of it done before that, is with respect to
12 privileged preservation of privilege.

13 And then, there is a working capital adjustment
14 that has to be made. And one of the things Your Honor will
15 note on the agenda is we had an administrative bar date we
16 said we'd be amending a second amended administrative bar
17 date. And one of the issues --

18 THE COURT: I think I signed that.

19 MR. GALARDI: I think we asked to -- for a
20 modified order today. So let's see where we stand with
21 that. But one of the things is, the working capital
22 adjustment has to be resolved. So among the many things
23 post closing that we've been doing are all of those things.

24 In addition, I wanted to mention some corporate
25 governance, which does in fact affect Mr. Denton, so I think

1 it's important to know. As I had mentioned at the last
2 hearing as part of the sale, the UniModa offer -- every
3 single employee other than Mr. Denton's employment, Mr.
4 Denton, as you know, had a non-compete agreement.

5 All of the employees except for one took the
6 employment. With respect to GMGI, we took two steps, and
7 it's partially because of Mr. Denton's bankruptcy. GMGI,
8 which is the parent corporation, now only has two board of
9 director members. As of September 10th, those two board
10 members are Mr. Scott Tillman, who is the independent board
11 member, and Mr. Thomas Plunkett, who was a board member
12 prior to that date.

13 Mr. Denton still attends board meetings in an
14 observing capacity and as an equity holder, but he is no
15 longer an official member of the Gawker GMGI board. Mr.
16 Denton was also the manager of Gawker Media LLC, the
17 Delaware Corporation in the bankruptcy company.

18 After the closing of the sale, we -- Mr. Denton no
19 longer has the role of manager there, and we, and as that --
20 result of discussions to make clear certain types of
21 governance and issues that we were facing.

22 GMGI now became the manager of the Gawker Media,
23 LLC. And as I mentioned, Mr. Holden is the manager of
24 Kinja. So we took those corporate steps, which were all
25 really consistent with what I had advised Your Honor before,

1 that Mr. Tillman had been given designation of authority
2 with respect to the sale process, which we will -- we're
3 concerned about some potential conflict issues, which Your
4 Honor had mentioned the first day.

5 And as we were approaching the plan and various
6 allocation issues, as I had mentioned to Your Honor, Mr.
7 Tillman had authority with respect to this, so since Mr.
8 Tillman is the independent director at GMGI that has all
9 this authority, we've placed him in the -- we placed GMGI as
10 the manager of Gawker Media. He has also got control, and
11 to whom Mr. Holden reports on the board at Kinja.

12 And so, Mr. -- we took those formal steps. We had
13 talked with the Committee about that and those steps were
14 with their consent. Mr. Denton is also -- because he had an
15 employment agreement, we haven't yet rejected it, but again,
16 in conversations with the Committee, Mr. Denton's employment
17 agreement that had a higher salary, has now been reduced to
18 \$4,000 a month to give advice with respect to various
19 matters for a limited period of time of 90 days.

20 We are working with Mr. Denton's counsel to work
21 through those issues with that. Now also, with respect to
22 Mr. Denton, we have an agreement we need to come back to Mr.
23 Denton's bankruptcy case, that we will be filing an
24 extension of time to raise non-dischargability issues with
25 respect to Mr. Denton.

1 We had talked with the Committee about that, as to
2 any potential claims that the estate may have against Mr.
3 Denton. These things may all get resolved partially in our
4 plan, and partially, with respect to Mr. Denton. But there
5 is an agreement to put forth that document with respect to a
6 case.

7 In addition, Your Honor, so that sort of took care
8 of the corporate governance aspects, and I'm building up to
9 the other matters. The company has been involved, and
10 really, Mr. Holden and Opportune have been involved as
11 required by the sale order to provide a budget to the
12 Committee with respect to ongoing operating expenses. They
13 have done that. And then, updated it, and have been working
14 with Deloitte, whose application is -- for retention is on
15 today.

16 The claims bar date. As Your Honor may recall,
17 you signed an order, I think it was back in August, setting
18 a claims bar date of September 29th in addition to an
19 administrative claims bar date of that same date. The
20 administrative bar date ran for the period of claims arising
21 before July 31st of the year.

22 That bar date has now run. We have started to
23 look at the claims, as has the Committee. They really break
24 down into what I'll call three different types. There are
25 the litigation claims with some large amounts, which we

1 dispute. Obviously, Mr. Bollea filed a claim, which we
2 dispute, but it's not -- it's contingent and it's now
3 liquidated.

4 There are a number of small pre-petition claims
5 that we believe get resolved by way of the UniModa deal, but
6 have been unable to address that. And then there are
7 numerous un-liquidated contingent indemnification claims
8 from the writers, who have indemnification or believe they
9 have indemnification in the event they are sued, some of
10 which have been in fact they sued.

11 And finally, Your Honor, I think with respect to
12 the biggest event, we filed, as of last Friday, a plan and
13 disclosure statement that sets forth the Debtor's position
14 at that point, with respect to a number of issues. The
15 first issue, as I have alluded to, is the allocation of
16 assets and liabilities between the Kinja estate and the
17 Gawker Media estate.

18 We proposed a plan settlement in that, between
19 those two estates. Second, there was, and I think Your
20 Honor may recall, I have mentioned to Your Honor, an issue
21 that we had with respect to, I call it Columbus Nova, I
22 think it's US v. IV. Under the second lien debt, there was
23 a make-whole claim by that entity, which we have reserved
24 throughout our rights to object to that.

25 That plan also provides for a settlement treatment

1 of that Columbus Nova make-whole plan. We have proposed
2 that, and counsel for Columbus Nova's in the courtroom. We
3 have proposed a certain settlement. I will say that it is
4 not completely final at this point, but we are hopeful that
5 that plan will be the settlement or something very close to
6 that. We have to have some follow-up conversations.

7 With respect to the plan, both before filing the
8 plan and subsequent to filing the plan, we've been in
9 discussions with the Committee, with Columbus Nova, and
10 indeed, with individual creditors, such as Mr. Bollea and
11 the other creditors with regards to solving some of the
12 issues.

13 I'm going to let the Committee say how much they
14 feel comfortable with what I'm going to say here, but with
15 respect to the plan subsequent to filing the plan, we have
16 had substantive conversations with the Committee, and I
17 would say as I stand here, hopeful today that we will
18 resolve plan confirmation allocation issues with the
19 Committee.

20 And we've had some -- and it's not just the Committee, and I
21 think it's important to understand, because it's also going
22 to go to Mr. Denton's case. As Your Honor is aware, the
23 Committee consists of three Creditors -- Mr. Bollea, who has
24 that liquidated judgment, and then there are two other
25 plaintiffs, Mr. Ayyadurai and Ms. Terrill. They have all

1 asserted claims in these bankruptcy cases, not just against
2 Gawker Media, but I believe they all have claims against Mr.
3 Denton, and they also have claims against certain writers.

4 THE COURT: There aren't claims against Kinja, is
5 there?

6 MR. GALARDI: Well, they --

7 THE COURT: Is Kinja solvent?

8 MR. GALARDI: Kinja we believe is solvent, Your
9 Honor, but there -- I'll get a little bit to the claims. We
10 don't believe, and as you may recall, and I'll start of set
11 it, UniModa had asked for us to leave 2 million behind to
12 keep available to Kinja. Our view is that Kinja is solvent,
13 and indeed has paid all of its claims. There may be a
14 couple little claims, but there's plenty of money.

15 But a lot depends, to some extent whether -- and
16 the Committee -- and this is why I think it's important to
17 understand why the settlement with the Committee will be
18 incredibly valuable to these estates, there are arguments
19 that Kinja was used improperly. They could make those
20 arguments that money was funneled out of Gawker Media to go
21 pay Kinja. So the only reason it might have been solvent is
22 their legal theory that they could advance.

23 There is a claim filed, none of the individuals --
24 well, notwithstanding the fact that they don't have claims,
25 we believe, I will say lawyers file claims against all three

1 entities all of the time, so you'll have your standard
2 claims objections. So all of the plaintiffs Ms. Terrill and
3 Ayyadurai, I'm going from memory, filed claims against
4 Kinja, but I will say I think Mr. Bollea did. And then
5 there are litigation claimants that filed claims against all
6 of the entities.

7 For example, Your Honor, Mr. Huon, who Your Honor
8 may recall, we lifted the stay --

9 THE COURT: From Chicago?

10 MR. GALARDI: From Chicago. Filed claims against
11 Kinja. In fact, he has a complaint that names Kinja. So --
12 and I was interested in the dialogue before, he did file a
13 complaint that named Kinja. Now we obviously don't believe
14 that there's a claim with Kinja. He also filed a claim at
15 Gawker, MGMI, so going through the claims process.

16 THE COURT: What's the status of that appeal?

17 MR. GALARDI: The City and the Seventh Circuit I
18 think is waiting for Judge -- I understood it might be
19 Easterbrook -- to make a decision, but that -- again, the
20 stay doesn't preclude that; we lifted the stay there. And
21 I'm going to get to the stay lifting.

22 So we have been working. Now one of the big
23 issues in the allocation, which I've described before is if
24 all the money goes over to Kinja, or all the money goes over
25 to Gawker Media, you have various claim pots that have to be

1 addressed.

2 We had subsequent conversations with the Committee
3 after filing the plan, and before it, and have been working
4 on a structure. Importantly, as I was getting to, the
5 structure is such that the Committee, I believe, will
6 support a plan and we're going to work through mechanics,
7 obviously. We believe we may have a settlement that will
8 work through the, one -- resolving the allocation issue, and
9 two, the individual creditors on the Committee will support
10 the plan, which will have implications for Mr. Denton's
11 case, because those same creditors, as I was mentioning,
12 they have claims against Mr. Denton on their litigation.
13 And in essence, that will allow certain monies to perhaps go
14 out to the preferred shareholders, which may also affect Mr.
15 Denton's case, in exchange for certain money remaining so
16 that you could have the underlying litigation fight held in
17 trust.

18 So we're very hopeful about that. I'll let the
19 Committee counsel say anything more about that, but that has
20 been a development which we confirmed today before Court.

21 Finally, Your Honor, and I think it's important to
22 also understand status of litigations, because Your Honor
23 has known that these litigations have been the source of the
24 bankruptcy. One as I already mentioned and Your Honor
25 asked, we had agreed to already to lift the stay with

1 respect to the Seventh Circuit matter and Huon, that's
2 proceeding, it's going to proceed on whatever schedule of
3 the Seventh Circuit.

4 But getting to the more fundamental issues with
5 the Committee, the Ayyadurai and Terrill matters, we have a
6 stipulation with the counsel, we have been waiting for the
7 signature back to lift the stay. Those matters are
8 presently scheduled to have papers filed on October 10th.
9 The Debtor will be filing papers. The procedure in those
10 particular courts are that you give a notice as to why you
11 should be able to file a notice of dismiss -- dismissal, the
12 Court decides based on that letter brief whether you can
13 file your motions to dismiss.

14 We, the Debtors, along with the writers, will be
15 filing that. We are --

16 THE COURT: Which actions are those?

17 MR. GALARDI: Those are the Ayyadurai actions and
18 the Terrill actions -- Terrill action. One is in the
19 District Court of Massachusetts, one is in the District
20 Court -- Southern District of New York. We don't believe we
21 need stay relief. We have offered stay relief to the other
22 side. They were part of the preliminary injunctions, the
23 preliminary injunctions ran off on September 3rd, we are
24 working to do the stipulation. We believe we have a
25 stipulation. I think with the holidays we weren't able to

1 get it signed by the other party, I was hopeful to file it.
2 We don't believe we need relief from the stay to go forward
3 with that.

4 So the company and the individual writers, Mr.
5 Denton is a different circumstance, will be filing papers
6 and we've agreed to lift the stay for all purposes other
7 than to bring a judgment back in those matters to go
8 forward.

9 That brings now to Mr. Bollea. Your Honor, you've
10 heard me say that we would like to lift the stay in that
11 matter. I will say, to date we have not come to an agreement
12 with Mr. Bollea regarding the lifting of the stay. And
13 there are negotiations regarding that. The Debtors wanted
14 to lift it for the narrow purposes of the appeal, I believe
15 the Bollea group wants to lift it for a broader purpose.
16 There was another wrinkle, but I think that wrinkle is now
17 getting resolved, or will get resolved in the next 30 days
18 as to Mr. Denton being available to take questions.

19 THE COURT: Are two actions against -- brought by
20 Mr. Bollea, right? This --

21 MR. GALARDI: Correct.

22 THE COURT: -- is agreement as to both actions?

23 MR. GALARDI: No, actually not, Your Honor. The -
24 - I call them Bollea 1 and Bollea 2, and I think that's
25 referred to in the plan.

1 THE COURT: Bollea 2 is the one that's the subject
2 of the relief of the -- what do you call it, the relief from
3 stay.

4 MR. GALARDI: It has -- well, no. Bollea one, I'm
5 going to -- Bollea 1 is the one in which there is the
6 judgment that's outstanding. That's the one we're seeking
7 the lift the stay on, with the issue being, essentially, is
8 everything, including contempt, going to be brought or are
9 we just going to go to the final judgment. That's going to
10 be -- and if we can't resolve that, we believe we'll have a
11 motion before you on November 3rd.

12 What I call Bollea 2 is where there is a number of
13 defendants and it's currently stayed by the Appellate Court
14 on a -- I can't remember if it's mandamus or otherwise, on a
15 recusal motion with respect to the judge. It's in the state
16 court.

17 THE COURT: But that's the one that involved the
18 disclosure of the transcript?

19 MR. GALARDI: Correct. That's the tape or
20 transcript with, you know, a word that's not to be used.
21 That one we have talked about, but that one is in its
22 infancy, so we have not really gone forward on that lift
23 stay. I will say that Mr. Bollea filed a claim for both of
24 those in the bankruptcy case.

25 So that is where we stand from the Debtor's

1 perspective. I would turn it over to Mr. Denton's counsel
2 to add -- or if Your Honor has questions. Or maybe
3 beforehand, I don't know -- I'd turn it over to the
4 Committee for their comments on the plan, I think that's
5 probably more fitting.

6 MR. QUSBA: Good morning, Your Honor. Sandy
7 Qusba, Simpson, Thatcher & Bartlett, counsel for the
8 Unsecured Creditors Committee at Gawker.

9 A couple of things. That was a very fulsome
10 description that Mr. Galardi gave with respect to matters
11 that have been transpiring. First on Gawker.com, I think
12 Mr. Galardi mentioned that UniModa, as the purchaser,
13 exercised its election to leave that behind. And just to
14 clarify, that is -- there's no new content going up on
15 Gawker.com, it's still part of a liquidation, there's no,
16 really significant employees left there, either. So that
17 was one.

18 Number two, a number of steps have been taken to
19 preserve rights until and hopeful we can get to a
20 settlement. And again, Mr. Galardi referenced this as well,
21 those steps to preserve rights include, for example, the
22 Debtor's acquiescence to file proofs of claim against each
23 other, against other Debtor entities, to preserve right.
24 And, you know, if we need to seek standing, we'll seek
25 standing, but hopefully, you know, a lot of this can be

1 resolved.

2 In addition to intra-debtor reservation of rights,
3 Mr. Galardi also mentioned a stipulation with Mr. -- with
4 respect to Mr. Denton, and the extension of the non-
5 dischargability deadline. So again, all rights are being
6 preserved until and hopefully when we can get to a
7 resolution.

8 We have been, as Mr. Galardi mentioned, in active
9 dialogue with the company. We clearly don't agree with the
10 plan that's on file today, but having said that, we are
11 working constructively with the Debtors to ensure that
12 adequate cash will be available to Gawker Media creditors.
13 And we're talking about, you know, 90 or so percent of the
14 cash proceeds being held in some sort of trust or reserve or
15 some form, so that once the underlying litigations are
16 resolved, there's actually a pot of cash that people can
17 look to.

18 In addition, we're also working on other aspects
19 of the Chapter 11 plan with Mr. Galardi and the Debtors,
20 which will hopefully incentivize settlements, Your Honor,
21 and particular with those who have -- who are plaintiffs and
22 have causes of action that are pending. We would love to
23 not spend money on legal fees and preserve that capital for
24 the benefit of whoever is entitled to it at the end of the
25 day, and so we're working hard to do that. But preserving

1 rights along the way, in order to ensure that if we can't
2 get to a settlement or a deal, then no one's been
3 prejudiced.

4 THE COURT: I take it there's a dispute about the
5 allocation?

6 MR. QUSBA: There is a dispute about the
7 allocation. But again, we're trying to structure a
8 arrangement such that we don't have to litigate that.

9 THE COURT: Okay.

10 MR. QUSBA: Thank you, Your Honor. If you have no
11 other questions?

12 THE COURT: Yeah. Thank you.

13 MR. USATINE: Good morning, Your Honor. Warren
14 Usatine, Cole Schotz, on behalf of Nicholas Denton. Since
15 last I was here, I think we had a status conference just
16 about two weeks ago in this case, but there have been some
17 administrative things that we -- that I told you about and
18 foreshadowed for you the last time that we have been
19 addressing.

20 Number one, we filed our bar date motion. That's
21 pending. I think the bar date we're seeking, I don't have
22 it off the top of my head, but I think it's sometime in the
23 second half of November, understanding that our case was
24 filed about two months after the corporate cases.

25 We also have filed our application seeking

1 retention of the real estate broker who will market Mr.
2 Denton's appointment. Your Honor will recall the motion we
3 had about the attempt to lease the asset.

4 We have filed and we -- it took us some time, but
5 we have structured a date and agreement with special
6 litigation counsel, the same special litigation counsel that
7 will be representing the corporate Debtors, Levine Sullivan.
8 We have put their retention application on file, as well as
9 the two firms with whom they have been working, in Florida,
10 to deal with both the Bollea appeal and the other
11 litigations. To the extent -- we're still evaluating the
12 extent to which Mr. Denton will seek stay relief to join in
13 with what the corporate debtors are doing, certainly with
14 regard to the Bollea appeal, we anticipate that, and so
15 those are upcoming motions as well.

16 Still to come is our retention application with
17 regard to the accounting firm that's going to deal with Mr.
18 Denton's taxes and tax returns. He obviously could not
19 retain the same firm that historically done his returns,
20 because they were being retained by the corporate debtors.
21 He's identified a new firm, and we're going to be filing
22 their retention applications. He's on extension for last
23 year, so we have to get that addressed, obviously, in the
24 short term.

25 As far as where we go from here, as I said in the

1 near term obviously we're going to deal with stay relief, to
2 the extent we're going to be joining in the Bollea appeal
3 and the motions to dismiss that the corporate debtors are
4 pursuing in the other litigation.

5 The main event, obviously, is the plan that's
6 ongoing now in the corporate cases. As I said to Your Honor
7 the last time, our -- the disposition of the Denton case
8 largely is going to be dependent upon the outcome of the
9 plan process that's currently underway, to a large extent.
10 Mr. Denton, his most substantial asset is his significant
11 equity holdings at the parent corporate debtor. Things like
12 the allocation fight that you heard counsel for both the
13 Debtors and the Committee in the corporate cases address are
14 going to have an effect on his ultimate recovery, what's
15 available to his estate on account of that equity interest.

16 He obviously -- we -- and I dialogue, obviously,
17 all the time with corporate counsel to see the developments
18 that are going on in that plan process and how it will
19 affect Mr. Denton's estate. Ultimately, we're hopeful, as
20 counsel for the Committee said, that when there's momentum
21 going towards a plan, that resolutions will break out. And
22 again, the resolutions of the claims that the corporate
23 debtors are addressing are the same claims that are being
24 asserted in Mr. Denton's case. So the next couple of
25 months, obviously, not only are critical to the corporate

1 debtors but to Mr. Denton's case as well. And depending on
2 how that all shakes out, we'll be here talking about the
3 disposition of his case sometime in the near future also.

4 THE COURT: Do you have another date, so I don't
5 lose track of these status conference?

6 MR. GALARDI: Your Honor, the next date we have --
7 well, we have a November 3rd disclosure statement hearing
8 date, we have a November 15th omnibus date and then we have
9 a December 13th tentative confirmation date.

10 THE COURT: All right. I'll adjourn --

11 MR. GALARDI: I believe those are all our dates.

12 THE COURT: -- the status conferences to December
13 13.

14 MR. GALARDI: Okay.

15 THE COURT: And they'll go forward, even if the
16 confirmation hearing doesn't go forward.

17 MR. GALARDI: That's fine, Your Honor.

18 Your Honor, I can turn now to the agenda, unless
19 Your Honor has questions about status or how we are --

20 THE COURT: No. Go on and proceed.

21 MR. GALARDI: Your Honor, the first matter on the
22 agenda is actually the Committee, so now I'll sit down and
23 let them handle it.

24 THE COURT: Thank you, Mr. Galardi.

25 MR. RUSSELL: Good morning, Your Honor, William

1 Russell, Simpson, Thatcher and Bartlett, LLP on behalf of
2 the Committee. We're here on behalf of the Committee's
3 application to retain Deloitte Financial Advisory Services,
4 LLP as its financial advisors. There's been no objection to
5 the application, but we note Your Honor did schedule for a
6 hearing.

7 THE COURT: Yeah.

8 MR. RUSSELL: So we assume the Court has some
9 questions or concerns. Deloitte's counsel, Elise Frejka, is
10 here in the courtroom as well to address any concerns the
11 Court may have.

12 THE COURT: Well, if you look at the services that
13 Deloitte is going to provide, they're going to provide
14 assistance with respect to the Debtor's business plan and
15 relating to the Debtor -- and structuring the Debtor's
16 business operations. The Debtor isn't going to have any
17 business operations. They're going to provide operational,
18 financial and strategic restructuring alternatives; there
19 are no alternatives, it's a liquidating plan. And I could
20 go on and on and on.

21 MR. RUSSELL: Sure. Sure.

22 THE COURT: This is a boilerplate list of things
23 that a Committee might do in an operating case, but what do
24 you need a financial advisor for in this case?

25 MR. RUSSELL: Yeah, we need a financial advisor

1 to, one, up until this point to examine what the Debtors
2 were doing, their receipt of cash, their operations up until
3 the sale. After that, it's -- while we're hopeful that we
4 can reach a resolution of the allocation fight and other
5 issues such as inter-company claims, we need financial
6 advisors, in the event that that doesn't come to fruition,
7 to examine whether there are inter-company claims, what they
8 are, to help us with litigation an allocation fight and all
9 the other issues that will come up in the context of this
10 case, to the extent there's not a consensual resolution
11 between the Committee and the Debtors of the issues posed by
12 the plan of reorganization.

13 THE COURT: All right. Does anyone else want to
14 be heard on the application?

15 Look, if you submit an order that identifies what
16 they're going to do and not all this boilerplate stuff,
17 which is clearly inapplicable in a case like this, I'll
18 probably sign the order. I don't know -- I haven't reviewed
19 the retention letter to see if it's got all those carve outs
20 from liability and indemnity and it has a provision that all
21 disputes will be settled before arbitration, so, you know I
22 have a usual clause which I think has probably been in the
23 other retention orders relating to exceptions to the
24 indemnity and the limitations on liability and the
25 determination of any disputes, if that's in there. So on

1 that basis, you know, assuming that what you put in there is
2 acceptable, I'll sign the order.

3 MR. RUSSELL: Thank you, Your Honor. We'll submit
4 a revised order to the Court.

5 THE COURT: All right.

6 MR. RUSSELL: Obviously with copies to the
7 Committee and U.S. Trustee's office.

8 THE COURT: And make sure Deloitte consents.

9 MR. RUSSELL: Thank you very much, Your Honor.

10 THE COURT: Okay. Thank you.

11 MS. FREJKA: May I be excused?

12 THE COURT: Yes.

13 MR. GALARDI: Your Honor, moving to Item Number 2
14 on the agenda, again, there's no objections, but this was
15 the Debtor's motion to authorize the assumption and
16 assignment of certain executory contracts to UniModa. These
17 were, I think if you recall, we had three groups of leases,
18 these were on the maybes. These were now assigned, after we
19 had gone through and got to the closing, there are
20 additional contracts identified as wanting to be taken. We
21 did send out notice, obviously of this. These are assumed
22 as of the sale date. The cure amounts were set forth, all
23 of these -- the parties had notice of this, plus they had
24 notice of the fact that this motion was on. And so we would
25 ask Your Honor, barring there is no objection, to approve

1 the motion to assume and assign the contracts that are
2 listed on the exhibit to UniModa.

3 THE COURT: Does anyone want to be heard in
4 connection with that application? That application is
5 granted, it's really part of the sale. Submit an order.

6 MR. GALARDI: Thank you, Your Honor.

7 The next one is the notice to extend the period of
8 -- the exclusive periods, both the exclusive period and to
9 solicit acceptances. We obviously filed this before we
10 filed the plan. We have sought a 60 day extension, the
11 Committee had not objected to it. We're asking for an
12 exclusive period to extend to December 9th, and the
13 exclusive solicitation period to February 7th, 2007.

14 THE COURT: All you really need is an exclusive
15 period to solicit at this point, right? You filed a plan.

16 MR. GALARDI: I've gone back and forth at times,
17 Your Honor. If we had to withdraw the plan and file a new
18 plan, whether it's caught in the exclusive periods or
19 whether I've now terminated the exclusive period, so it's
20 been my view, as a practice, that I seek to extend both out
21 of that abundance of caution for that one scenario.

22 THE COURT: Fair enough. Does anybody object to
23 the proposed extensions? All right. The record should
24 reflect there's no response. It appears that you're working
25 with the Committee to come up with a consensual plan, or at

1 least consent on many issues, so I'll grant that motion.

2 You can submit the order.

3 MR. GALARDI: Thank you, Your Honor. The next
4 motion is the Debtor's motion for a second administrative
5 bar date. Your Honor, as I mentioned in my opening, the
6 first administrative bar date took us through July 31st.

7 THE COURT: All right.

8 MR. GALARDI: What we are seeking here
9 is to flesh out any other administrative claims through
10 September 31st, the date that we sought -- would seek to
11 have the bar date -- the second administrative bar date set
12 for is November 15th. That is after the disclosure
13 statement hearing, but before confirmation. We want to make
14 sure we have all of the administrative claims that could
15 possibly be filed.

16 THE COURT: But these don't apply to professional
17 (indiscernible)

18 MR. GALARDI: Correct. These don't apply for
19 professional --

20 THE COURT: So why did administrative claims --
21 what is the estate incurring post-closing?

22 MR. GALARDI: Post-closing, we don't believe there
23 are really any in the ordinary course, but Your Honor, it
24 goes to the litigation nature of the business, because I
25 think as Mr. -- as the Committee's counsel said, one is, we

1 still own Gawker.com and the content, and it is still on the
2 website.

3 Two, prior to the closing, there was still a
4 control of content. I will say, we've received demands that
5 would demand takedowns of publications, whether it be up to
6 the closing or even after the closing.

7 THE COURT: I thought the website was taken down.

8 MR. GALARDI: The website is not taken down. It's
9 -- no one's operating it. The content is there. You can go
10 to Gawker.com. It's still a site we may sell, depending
11 upon the outcome, but there is still content on the website.
12 So out of that concern, we want it, among other things.

13 THE COURT: So why don't you just take down the
14 website, if there's a possibility that it's creating post-
15 petition liability?

16 MR. GALARDI: First of all, I don't believe --
17 there's two reasons. One is, the question is the value that
18 you would -- may destroy because Gawker.com may still have
19 value. And if you talk to experts, the mere fact that it's
20 up there, it still gets hits a day.

21 THE COURT: Mm hmm.

22 MR. GALARDI: And we actually may use it for other
23 purposes, like advertising. So there is a value to that
24 site. Now we may dispute the value. I know the Committee
25 has a certain view about some of the content. But when you

1 weigh the pluses and minuses, leave aside -- and post-
2 closing, since we're not publishing any new articles, we
3 think that's a minimum liability. This bar date really
4 stops on -- we picked September 31st because it's the end of
5 the month as opposed to September 10th.

6 THE COURT: There is no September 31st.

7 MR. GALARDI: I'm -- September 30th -- I'm sorry.
8 September 30th, as opposed to September 9th. But the bar
9 date covers pre-closing, when you were actually still having
10 an active website.

11 THE COURT: All right. Is this the same -- form
12 of the same order that I saw in the (indiscernible) --

13 MR. GALARDI: It is the same form, except for one
14 carve-out, I believe, Your Honor, that when we filed the
15 motion, UniModa, who has the working capital adjustment,
16 asked for a carve-out to the bar date so that it could
17 assert claims, if it ever has them, under the asset purchase
18 agreement.

19 So we would ask Your Honor to -- we would ask to
20 submit a revised order, which we circulated to the Committee
21 and UniModa and the U.S. Trustee, once they approve it, that
22 would have that carve-out. So UniModa didn't have to file a
23 claim.

24 THE COURT: So submit a black long copy -- black
25 lined -- also the last order that I --

1 MR. GALARDI: Okay.

2 THE COURT: -- signed, with a clean copy, and you
3 can represent that the Committee has no objection to it, or
4 if you can, make that representation, settle it on notice
5 and we'll file an objection.

6 MR. GALARDI: And I may have misspoke. One other
7 change is that we learned our lesson, so we didn't have to
8 file proofs of claim. We carved out inter-company claims as
9 well. So that was another change that I didn't have to file
10 proofs of claim. So we'll note that in --

11 THE COURT: And whatever the changes are, just put
12 them in a black (indiscernible) --

13 MR. GALARDI: Yes, absolutely, Your Honor. Your
14 Honor, the next motion was the motion to extend the time to
15 assume or reject unexpired leases. We really have to
16 subleases. We were on the verge of a deal, when -- and we
17 are the lessor, and then, the lessee of two or three leases,
18 all at Elizabeth Street.

19 We thought we had a deal. We didn't finish that
20 deal, so we filed a motion to seek to extend the time to
21 assume or reject the non-residential leases that we are a
22 party to. We served it on the outstanding parties. No one
23 objected. We've asked for that date to be extended to
24 December 7th. We have no objections.

25 THE COURT: Are you still occupying the space?

1 MR. GALARDI: We weren't occupying it during the
2 course of the case. We are both the lessee and the lessor
3 on two subleases.

4 THE COURT: So passing through and (indiscernible)
5 --

6 MR. GALARDI: Actually, we're making a little bit
7 of money on it, so there's no net drain on the estate from
8 this.

9 THE COURT: Does anybody want to be heard in
10 connection with that motion? The record should reflect
11 there's no response. It's granted. Submit an order.

12 (Debtor's Motion for Entry of an Order Extending
13 Time to Assume or Reject Unexpired Lease of Nonresidential
14 Real Property Pursuant to 11 U.S.C. 365(d)(4) Granted)

15 MR. GALARDI: Your Honor, I'm going to skip over
16 the contested matter and then go to set -- the Page 5 on the
17 agenda, which is the second contested matter. I apologize
18 for not having gotten it on the agenda.

19 There was a motion, notice of presentment, with
20 respect to Akin Gump to be counsel to the independent
21 committee, Mr. Tillman. There have been discussions. The
22 U.S. Trustee and the Committee have all agreed to an
23 adjournment to move that over to the, I think it's the
24 November 15th. We put it on the omnibus date. And we've
25 asked Your Honor to approve that adjournment of that matter

1 over to November 15th.

2 THE COURT: Does anybody object to an adjournment?
3 What's the effect of objecting to the adjournment?

4 MR. GALARDI: We'd have to put it on today and we
5 would (indiscernible).

6 THE COURT: All right. Well, it's not even on my
7 calendar today.

8 MR. GALARDI: Okay. Well, (indiscernible) --

9 THE COURT: (indiscernible) and that's the other
10 thing.

11 MR. GALARDI: Okay. With that, Your Honor, I
12 would turn the -- well, it's actually Travelers Motion for
13 the lift stay, which Mr. Martin at my office will handle.

14 THE COURT: I'll hear from the movants first.

15 MR. T. MARTIN: Good morning, Your Honor. Thomas
16 Martin of Putney, Twombly, Hall & Hirson on behalf of the
17 St. Paul Fire & Marine, which is one of the issuing
18 companies of the Travelers Group of insurance companies.
19 We're seeking relief from the automatic stay related to the
20 case I've heard described today as Bollea 2, which is
21 apparently stayed, but there are discussions where a relief
22 from the stay in regards to that action may be sought.

23 This application is brought for relief for relief
24 from the automatic stay so the Travelers can commence a
25 declaratory judgment action in the State of New York, the

1 location of the -- this policy and Gawker's business, to
2 have its rights determined, whether indeed it has defense
3 indemnity obligations under a policy of general liability
4 insurance, and that umbrella policy that was issued for the
5 period October 14th -- October of 2014 to October of 2015.

6 Travelers received a tender within two days of the
7 Bollea suit being filed, that is Bollea 2. Travelers issued
8 a declination letter, and there was a subsequent letter from
9 Gawker also pressing their view, that Travelers had a
10 defense obligation under the policies of insurance that they
11 issued.

12 It was on that basis that Travelers brought this
13 motion because in the absence of the stay, they would've
14 commenced a declaratory judgment action to have their
15 coverage obligations determined. So up --

16 THE COURT: I'm just curious about the way this
17 works. And I know that, you know, there are certain
18 ramifications in terms of disputing coverage, if you don't
19 proper -- if you don't at least decline to defend. If
20 declined to defend, so you're not going to defend, and
21 you're being thwarted in your effort to resolve this in
22 state court, so what's the downside? I'm asking. I don't
23 know the answer to this.

24 MR. T. MARTIN: Yeah.

25 THE COURT: What's the downside to Travelers,

1 other than uncertainty, if I deny the motion and you never
2 bring that declaration, that declaratory judgment action?

3 MR. T. MARTIN: Well, the problem is, Your Honor,
4 that obviously, if we do have coverage obligations, we lose
5 all our rights related to the ongoing litigation, if it were
6 to proceed. Obviously, Travelers has the election, to issue
7 a declination letter and rely on that declination letter.

8 But the litigation can then go forward being
9 defended by the insured at their discretion and in their
10 manner. And at the end, if we sit on our declination
11 letter, they can then come and sue Travelers and say, "You
12 now owe us whatever, the total defense and indemnity
13 obligation that is now the result of this ongoing
14 litigation."

15 So in a situation like this, where obviously
16 there's a substantial exposure, Travelers would make the
17 election to have those rights determined early on so that
18 they can know, both from a financial planning standpoint and
19 also from their rights in regards to that litigation, to
20 participate in that, as the insurance carrier, because they
21 have the right to select defense counsel. They have a right
22 to control that, in a sense, in the by bipartite
23 relationship between insurance companies and the counsel
24 that they retain and the insured.

25 So here, especially when I'm hearing today in

1 Court that there are negotiations to lift that stay in
2 Florida, it becomes important that Travelers go ahead with
3 its coverage litigation and have those rights determined.
4 It seems to me, as we've put in our papers, Your Honor, that
5 it would be beneficial to everybody to know whether that
6 delay a two-case might have potential insurance dollars
7 available to it.

8 Obviously, the proceeds of that are not going to
9 be proceeds that are going to go to the estate, they can
10 only go to the claimant, Mr. Bollea, if there were to be
11 coverage. Travelers feels there is no coverage and --

12 THE COURT: Well, he can say that, but for
13 example, if the Debtor paid the Bollea proof of claim, we're
14 going to have a right of indemnification under the policy?
15 I haven't seen the policies, but I assume they have a right
16 of indemnification. I assume that there's a limit and that
17 every dollar that you pay to Bollea or anybody else
18 adversely affects the Debtors to the extent that their
19 insurance coverage is decreased, right?

20 MR. T. MARTIN: Well, I don't know how it affects
21 the Debtors. I mean, it would affect Travelers. It would
22 help the Debtor.

23 THE COURT: It would certainly affect the stay
24 because there'd be less insurance available.

25 MR. T. MARTIN: If it were a covered claim.

1 That's why we want to determine whether in fact it is a
2 covered claim.

3 THE COURT: I know, I --

4 MR. T. MARTIN: In your scenario, Your Honor, in
5 essence, you're saying that if we give up these rights, that
6 that claim can be resolved. And now, with us having no
7 input into the resolution of the case --

8 THE COURT: I'm responding to -- questioning the
9 argument that the estate has no rights in the proceeds.
10 This isn't a D&O policy, where the officers and directors
11 have direct rights in the policy, and there's always a
12 question of who owns the proceeds.

13 MR. T. MARTIN: Yeah, I --

14 THE COURT: Even though the Debtor owns the
15 policy. Bollea can't sue Travelers. I mean, maybe under
16 New York (indiscernible) judgments and then --

17 MR. T. MARTIN: Well, there are certain
18 circumstances that they could.

19 THE COURT: -- it returns unsatisfied.

20 MR. T. MARTIN: Correct.

21 THE COURT: Then they could sue you directly. But
22 we're certainly a long way from that.

23 MR. T. MARTIN: We are, Your Honor, admittedly.

24 THE COURT: So to the extent you say it's not the
25 Debtor's proceeds, I don't really think that that's

1 accurate. And certainly, every dollar that eats into that
2 coverage adversely affects the estate, potentially. It's
3 like any other insurance company -- case.

4 MR. T. MARTIN: I would take issue with that, Your
5 Honor, as to whether it affects the estate, because it --
6 those dollars are only going to answer to claims. They're
7 not going to -- at the end of the day, if there is no
8 erosion of that coverage, the estate can't come to Travelers
9 and say, "Well, you didn't pay on the policy, so pay us the
10 proceeds of that policy in the absence of a claim."

11 THE COURT: Yeah, there is no -- if there is an
12 erosion of the coverage to the point that all of the
13 coverage is exhausted, the creditors of the estate may be --
14 who have not had the -- would not meet with the same speed
15 maybe adversely affected because they may also have claims
16 that would have been covered by the policy.

17 MR. T. MARTIN: Potentially, I suppose that's
18 correct, Your Honor.

19 THE COURT: All right. Let me ask you another
20 question.

21 MR. T. MARTIN: Yeah.

22 THE COURT: Don't you resolve all this by just
23 filing an adversary proceeding here?

24 MR. T. MARTIN: That is an election, we --

25 THE COURT: We get them all the time.

1 MR. T. MARTIN: We're -- we will consider that,
2 Your Honor.

3 THE COURT: All right.

4 MR. T. MARTIN: Obviously, we felt and feel that
5 the Supreme Court of the State of New York is the more
6 logical locale.

7 THE COURT: I know that's where you usually
8 litigate these things, but this -- and in, you know,
9 notwithstanding the Debtor's argument, that I don't think
10 this is a terribly complex case. You can bear the complaint
11 of the policy and then you decide whether or not
12 (indiscernible) to defend. That's it.

13 MR. T. MARTIN: Absolutely correct, Your Honor.

14 THE COURT: All right. Let me hear from the
15 Debtor.

16 MR. R. MARTIN: Good morning, Your Honor. Ross
17 Martin, Ropes and Gray --

18 THE COURT: It's Martin versus Martin, actually,
19 it's actually matrimonial, actually.

20 MR. R. MARTIN: It's been a cordial matrimony,
21 outside the courtroom.

22 THE COURT: I'm very happy to hear that.

23 MR. R. MARTIN: The -- Your Honor, I won't be
24 long. I think the Court got to the nub of the issues. As
25 you've heard from Mr. Galardi, the estate has been very

1 focused on the sale and the plan and (indiscernible) plans -
2 -

3 THE COURT: That's all (indiscernible). The
4 estate has nothing to do except litigate at this point.

5 MR. R. MARTIN: That is correct, Your Honor, and I
6 agree with that. And so, but as you also heard Mr. Galardi
7 say, we just have the claims bar date. We are still in the
8 process of sorting out, as Your Honor indicated, what might
9 and might not be covered claims.

10 And to get just to the end and the fundamental
11 point of it, one of the benefits of the stay, especially in
12 a case where there's lots of litigation and it centers
13 around litigation, is for the Debtor, obviously in
14 consultation with the Creditors, to sequence and try to do
15 things in a way that helps resolve, to focus on the issues
16 that we want to focus on, to, as the Committee indicated, to
17 try to incentivize settlements, and to simply allow, frankly
18 in this case, a non-creditor to come forward and inject that
19 issue and require us to go to another Court, disrupts them.

20 THE COURT: Well, let me make two points. First
21 of all, they could file the same adversary proceeding here,
22 so what's the difference, whether they file it in the state
23 court or here? That's point one.

24 Two, they are drawn into this, because you're
25 negotiating relief from the stay, in some of these

1 litigations, where you've already demanded that they take
2 over the defense of action and they've declined. So it --

3 MR. D. MARTIN: If I could --

4 THE COURT: They have a different interest or a
5 specific interest in this issue than the general creditors,
6 for example.

7 MR. D. MARTIN: I agree with that, Your Honor.

8 THE COURT: Or some of the (indiscernible)
9 creditors.

10 MR. D. MARTIN: But I do want to clarify the
11 record on that point. What Mr. Galardi said is the estate's
12 position lift the stay in Bollea 1, for the appeal, we have
13 not expressed an interest in lifting the stay in Bollea 2,
14 at this point.

15 THE COURT: So you have no intention of agreeing
16 (indiscernible)?

17 MR. D. MARTIN: That's part of the discussions,
18 Your Honor, but the question of whether the coverage action
19 should proceed should proceed when we know what the facts
20 are. I mean, I'll just -- I'll repeat what Mr. Galardi
21 said. We're negotiating that point. It may be that we
22 don't come to a resolution, and we're here on a motion to
23 have a narrow lift with Mr. Bollea opposing.

24 And once we get a resolution to see what is and is
25 not going forward would be a much more appropriate time to

1 consider that. It may be, and because the estate's here,
2 we've paid the secured debt with the exception to that
3 disputed make-whole claim, and there's plenty of cash, the
4 estate is in fact paying -- can pay the defense costs. We
5 don't need the inbound insurance to pay that --

6 THE COURT: Well, (indiscernible) insurance --

7 MR. D. MARTIN: And we can seek recovery later.

8 THE COURT: Well, but that's the point. The
9 insurance company, as I understand it, loses control of the
10 action.

11 MR. D. MARTIN: That's a choice they make, Your
12 Honor.

13 THE COURT: And I understand that on some -- under
14 some state law cases, they may only be entitled to a
15 (indiscernible) of coverage issues and not exclusions,
16 although I'm not sure that's the law. So there is, in
17 effect, if not adjudicate on the insurer, not adjudicating
18 these issues in a timely fashion, and you're suggesting that
19 the decision should be made when as and if there's an
20 agreement relating to relief from the automatic stay. But
21 what happens between the stay relief and the time that the
22 state court decides the question of whether or not they have
23 to provide a defense? They have no control over the action,
24 right?

25 MR. D. MARTIN: But that's a contract -- that's a

1 choice that they made, and every insurance company makes
2 from the time they issue a declination letter, until --
3 that's a --

4 THE COURT: (indiscernible) --

5 MR. D. MARTIN: That's an issue that exists for
6 them when they make that choice.

7 THE COURT: Okay.

8 MR. D. MARTIN: I don't -- I'm happy to run
9 through the factors, Your Honor, but it's clear the Court is
10 familiar with the situations, and I don't want -- I don't
11 mean to belabor the point.

12 THE COURT: Yeah, yeah, I (indiscernible) -- this
13 is not a SunEdison case.

14 MR. D. MARTIN: No, no, it is not.

15 THE COURT: There's a lot more going on in that
16 case than there is going on in this case, that's all I'll
17 say. All right. Anything else?

18 MR. D. MARTIN: I don't have anything else.

19 THE COURT: Anything else, the other Mr. Martin?

20 MR. T. MARTIN: Sorry, Your Honor. I mean, when
21 Mr. Martin says you know, that's a choice the insurance
22 company makes, but in the ordinary circumstance, when we
23 make that choice, we have the option to promptly bring a
24 coverage action and have those coverage rights determined.

25 THE COURT: But the net effect of what he's saying

1 is the lifting of the stay is the equivalent of filing the
2 complaint that day, so that you're not behind in the time,
3 because normally, you would presumably -- the earliest you
4 would decline coverage is the day the complaint is filed,
5 because that's the earliest the issue would come up.

6 And he's saying you're going to get the same right
7 here, and I mean, maybe he's implying that if the stay is
8 lifted, that it'll also be lifted for you to go ahead and do
9 the declaration -- your declaratory judgment action, which
10 is --

11 MR. T. MARTIN: Well --

12 THE COURT: -- what you're (indiscernible) about.

13 MR. T. MARTIN: Unless the Debtor goes ahead with
14 a coverage action of their own. So --

15 THE COURT: No, the Debtor could only
16 (indiscernible) its own (indiscernible) objection, but
17 (indiscernible).

18 MR. T. MARTIN: It depends where they file it,
19 Your Honor.

20 THE COURT: They're either going to file it here
21 or the New York State Court, and it's -- maybe Florida, I
22 don't know, maybe in Florida.

23 MR. T. MARTIN: Well, the action is pending in
24 Florida.

25 THE COURT: Yeah.

1 MR. T. MARTIN: So --

2 THE COURT: Does that really make a difference?
3 What (indiscernible) the insurance contract?

4 MR. T. MARTIN: New York, clearly. But one
5 wonders about arguing that to a Florida court, so the --

6 THE COURT: All right. Thank you. I'll reserve
7 decisions. Thank you very much.

8 MR. T. MARTIN: Thank you, Your Honor.

9 THE COURT: Is that the end of the calendar?

10 MR. GALARDI: That is, Your Honor.
11 (indiscernible).

12 THE COURT: Okay. Thank you very much.

13 MR. T. MARTIN: Thank you, Your Honor.

14 MR. GALARDI: Is there anything you would need us
15 to do on the Travelers, you're just going to issue a
16 decision?

17 THE COURT: I'll reserve decision.

18 MR. T. MARTIN: I understand, Your Honor.

19 THE COURT: Thank you. I'll leave it at that.
20 All right, thank you.

21 MR. T. MARTIN: Thank you, Your Honor.

22 THE COURT: Now, let me ask the Travelers a
23 question, are you insisting that I decide this in 30 days?

24 MR. T. MARTIN: Pardon me?

25 THE COURT: Are you insisting that I decide this

1 in 30 days?

2 MR. T. MARTIN: No, Your Honor.

3 THE COURT: Okay. Thank you very much.

4 MR. GALARDI: Thank you, Your Honor.

5 MR. T. MARTIN: (indiscernible).

6 THE COURT: (indiscernible).

7 (Whereupon these proceedings were concluded at 11:50 AM)

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I N D E X

RULINGS

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Debtor's motion to authorize the
assumption and assignment of certain
executory contracts to UniModa Granted

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6

Debtors' Motion for Entry of an Order
Extending Exclusive Periods

17

2

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.

Sonya Ledanski
Hyde

Digitally signed by Sonya Ledanski Hyde
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